

COURT FACILITIES DISPUTE RESOLUTION COMMITTEE

SEPTEMBER 30, 2008

MINUTES

COMMITTEE MEMBERS PRESENT:

Ms. Karen Finn, Representative of the Department of Finance, Chair
Justice Ron Robie, Representative of the Judicial Council
Supervisor Greg Cox, Representative of the California State Association of Counties

PRESENTERS:

Robert Field, Director, Facilities Management, County of Riverside
Gary Christmas, Deputy County Executive Officer, County of Riverside
Robert Byrd, CGFM, Auditor-Controller, County of Riverside
Gisele Corrie, Financial Manager, Office of Court Construction and Management,
Administrative Office of the Courts, Judicial Council of California
Burt Hirschfeld, Assistant Director, Real Estate and Asset Management, Office of Court
Construction and Management, Administrative Office of the Courts,
Judicial Council of California

OTHERS PRESENT:

Elizabeth Howard, California State Association of Counties
Greg Rogers, Assistant Program Budget Manager, Department of Finance
Jennifer Osborn, Principal Program Budget Analyst, Department of Finance
Nathan Brady, Principal Program Budget Analyst, Department of Finance
Madelynn McClain, Budget Analyst, Department of Finance
Teresa Calvert, Budget Analyst, Department of Finance
Geraldine Gour, County of Riverside
Lisa Brandl, County of Riverside
Melvin Kennedy, Administrative Office of the Courts

CALL TO ORDER AND ROLL CALL:

Ms. Jennifer Osborn, Department of Finance, called the meeting to order at 9:00 a.m. and called the roll. A quorum was established.

APPROVAL OF THE MINUTES:

Ms. Karen Finn stated that the first item of business was the approval of the minutes from the September 22, 2008, meeting.

A motion was made by Justice Robie and Second by Supervisor Cox to approve the minutes from the September 22, 2008, meeting.

The minutes were approved by a 3-0 vote.

ACTION ITEM:

Ms. Osborn noted that our next item was the Riverside County (County) initiated dispute regarding the County Facility Payment for the Riverside Family Law Court facility.

Ms. Finn invited the presenters for both Riverside County and the Administrative Office of the Courts to the tables, requested that they introduce themselves, and limit their comments to fifteen minutes per facility.

Presenters:

Robert Field, Director, Facilities Management, County of Riverside

Gary Christmas, Deputy County Executive Officer, County of Riverside

Robert Byrd, CGFM, Auditor-Controller, County of Riverside

Gisele Corrie, Financial Manager, Office of Court Construction and Management,

Administrative Office of the Courts, Judicial Council of California

Burt Hirschfeld, Assistant Director, Real Estate and Asset Management, Office of Court

Construction and Management, Administrative Office of the Courts,

Judicial Council of California

All parties introduced themselves. Mr. Robert Field stated that the basis of their argument was Government Code Section 70354 which authorizes use of actual direct and indirect costs for CFP calculation. On June 8, 2005, an agreement was memorialized to recognize the Cost Allocation Plan as the foundational source for the costs used in the county facility payments. The Countywide Cost Allocation Plan (COWCAP) is used for claiming and reporting Riverside County's operations and maintenance costs. The COWCAP is approved by the State Controller annually. Mr. Field gave a brief description on the Family Law Court. The first year of costs were reported in 2004-05 for 2002-03 actual costs, which were approved by the County Auditor Controller in December 2006. The County used the 2002-03 costs to calculate the COWCAP costs for the 1998-99 and 1999-00 years, making these numbers higher than they would have been. Additionally, the CFP built-in inflation factor increased actual costs even more. The Board of Supervisors approved the transfer of responsibility and county facility payment of \$269,190 per year. The AOC rejected the county submittal and suggested to the Department of Finance that a modified agreement be approved, which was not approved by the County Board of Supervisors. The modified agreement based the county facility payment on a different facility in Indio, California. This was not an accurate representation of the Family Law facility costs. The County is asking that the State validate the county facility payment submitted by the County in December 2006 (\$269,190 per year) by upholding the law as described in Government Code Section 70354 and honor its June 2005 agreement regarding CFP methodology.

There was discussion between Committee members regarding how to calculate actual cost per square foot for the county facility payment and inflation factor.

Ms. Gisele Corrie and Mr. Burt Hirschfeld introduced themselves. Ms. Corrie gave a brief background description on the process for transferring facilities and calculating the county facility payments. The modified county facility payment approved by the Department of Finance was \$335,165, which is what the Administrative Office of the Courts (AOC) is recommending as the final county facility payment amount. The AOC does not agree with using one year of data as the law requires the use of five years. The AOC has requested using at least three years of data to calculate the county facility payment. An agreement was made with the County to use the COWCAP as an acceptable methodology. The AOC has used this option with some other counties. Justice Robie noted that there were three options for the county facility payment as presented: (1) \$269,190, which equates to approximately \$.85 per square foot, (2) \$299,426, which equates to approximately \$1.25 per square foot, or (3) \$335,165, which equates to approximately \$1.725 per square foot. The AOC said that they would accept option 2; however, this was not approved by Riverside's County Board of Supervisors.

The AOC stated that the county facility payments ranged from \$1.71 to \$3.99 per square foot for operations and maintenance for owned facilities in seventeen counties approved as of June 30, 2007. The average or median county facility payment was \$3.21. Supervisor Cox asked what the county facility payments were for the other Riverside facilities that had transferred. Ms. Corrie noted that the Larson Justice Center was \$1.73, the Hall of Justice facility was \$1.33, and the facility in Banning was \$1.25. These were below the range previously mentioned. The square footage of Family Law facility was 75,640 square feet. The second option works out to roughly \$1.25 per square foot plus inflation and insurance.

The County stated that they wanted to use the original methodology which calculated the county facility payment at \$269,190 per year. The County noted that they were using COWCAP to calculate the county facility payment for other facilities in process of transferring to the state.

A motion was made by Justice Robie and Second by Supervisor Cox to recommend a modified County Facility Payment in the amount of \$299,426 to the Director of the Department of Finance.

The modified County Facility Payment was recommended for approval by a 3-0 vote.

AYES: Karen Finn
Justice Robie
Supervisor Cox

NOES: None

ABSTAIN: None

There were no comments or questions from the public before conclusion.

OTHER BUSINESS:

Ms. Osborn reported that there was no other business.

NEXT MEETING:

Ms. Osborn noted that the next meeting is set for Tuesday, October 28, 2008, at 9:00 a.m. at the State Capitol, in Room 112.

Ms. Finn concluded the meeting at 10:05 a.m.